

MINUTE ITEM

21. (CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,006(4); L.B.W.O. 10,026(39).)

After presentation of Calendar Item 9 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION DETERMINES THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956 AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURES NO. 4 AND NO. 39, DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a) (1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., TO BE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE MINERAL RESOURCES ENGINEER ARE AUTHORIZED ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNTS.

Attachment

Calendar Item 9 (3 pages)

CALENDAR ITEM

MISCELLANEOUS

9.

(CONSIDERATION OF SUBSIDENCE COSTS - L.B. W.O. 10,006(4); L.B. W.O. 10,026(39).)

On September 27, 1956 (Minute Item 15, pages 2819-21, L.B. W.O. 10,006) the Commission conditionally approved the costs proposed to be expended by the City of Long Beach for sub-project: Pier C, Berths 24-26, Transit Shed, (Paving and Force Account) AFE 4.

On July 15, 1957 (Minute Item 26, pages 3354-60, L.B. W.O. 10,026) the Commission conditionally approved the costs proposed to be expended by the City of Long Beach for sub-project: Pier A, Berths 3 & 4, Transit Shed Remedial, AFE 39.

Force Account costs in connection with the above sub-projects also were approved by the Commission in general form at previous meetings.

The approvals on the above-listed projects were made subject to the condition, in part, that the amounts, if any, of each of the items to be allowed ultimately as subsidence costs, deductible under Section 5(a) of Chapter 29, Statutes of 1956, 1st E.S., will be determined by the Commission upon an engineering review and final audit subsequent to the time when the work under any of these items is completed.

For the above-listed projects, the work has been completed, final costs collected and transmitted to the staff by the Long Beach Harbor Department; and the above-stated final engineering review and audit has been made by the staff with results summarized in Exhibit "A" attached hereto.

Current accounts have been maintained during the progress of the work on each of these projects by allowing deductions of estimated subsidence costs from monthly oil revenue remittances to the State. Such approximate existing accounts will be adjusted and closed on the basis of results of an engineering review and final audit as shown on Exhibit "A" attached.

On July 24, 1958 and August 21, 1958, Long Beach Harbor Department was advised by letter of the results of the subject studies and more detailed discussion was invited, if desired. Approval of the amounts set forth in the attached Exhibit "A" was given by the Board of Harbor Commissioners on October 6, 1958.

IT IS RECOMMENDED THAT THE COMMISSION DETERMINE THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956 AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURES NO. 4 AND NO. 39, DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a) (1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., TO BE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND THAT THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE MINERAL RESOURCES ENGINEER BE

MISCELLANEOUS 9 (CONTD.)

AUTHORIZED ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNTS.

Attachment:
Exhibit "A"

EXHIBIT "A"

SUBSIDENCE COST DETERMINATION

RESULTS OF ENGINEERING REVIEW AND FINAL AUDIT

UPON COMPLETION OF THE WORK

<u>AFE NO.</u>	<u>L.B. W.O.</u>	<u>TITLE</u>	<u>TOTAL SUBSIDENCE DEDUCTIONS FROM REMITTANCE OF OIL REVENUE*</u>	<u>DETERMINATION OF ALLOWABLE SUBSIDENCE DEDUCTIONS</u>	<u>CREDIT DUE STATE</u>
** 4	10,006(4)	Pier C, Berths 24-26, Transit Shed	\$ 1,011.26	-0-	\$ 1,011.26
39	10,026(39)	Pier A, Berths 3 & 4, Transit Shed Remedial	48,449.86	\$33,905.14	14,544.72

* - Actual deductions made on the basis of estimates by the Long Beach Harbor Department of the amount of subsidence costs in the project.

** - Analysis of project costs indicates that no subsidence elements are present in the costs subsequent to April 1, 1956.